

## Casey: What the \$2 trillion COVID-19 Emergency Stimulus makes available to Pennsylvanians | March 31, 2020

U.S. Senator Casey voted for an emergency \$2 trillion bipartisan stimulus deal to address the economic emergency caused by COVID-19. While Senator Casey is committed to passing additional funding bills to address the ongoing health and economic crises, he wants Pennsylvanians to know how they can benefit from that legislation during these uncertain times.

In addition to economic stimulus, “This response legislation will make substantial investments in our Commonwealth as we confront this pandemic, but we must do more. I will continue to fight to ensure that our families and our communities have the resources they need during this time.”

Below is an explanation of how funding from the legislation may reach Pennsylvanians. These numbers are based on formulas and projections based on Senator Casey staff’s best estimates. State and local governments and individuals may still be eligible for additional assistance through various federal programs.

### Help for Pennsylvania’s Workers

#### **Direct payments**

- Millions of Pennsylvanians will be eligible for a direct payment.
- This measure provides \$1,200 for single filers and heads of households and \$2,400 for married couples (filing joint returns). It also provides \$500 per child under age 17.
- The rebate phases out for adjusted gross incomes above \$75,000 for single filers, \$112,500 for heads of household, and \$150,000 for joint filers.’
- The value of the tax credit will phase out over the following income ranges:
  - Single Filers: Phase-out begins at \$75,000 and ends at \$99,000.
  - Heads of Household: Phase-out begins at \$112,500 and ends at \$146,500 for a family of 2; this will be higher for larger families.
  - Married Filing Jointly: Phase-out begins at \$150,000 and ends at \$198,000; this will be higher for families with children.
- The full length of the phase-out depends on the size of the credit.
- Rebates will either be provided through direct deposit or the IRS will mail a check.
- Because a household’s income and circumstances for 2020 are not yet known, rebates will be issued based on taxpayers’ 2018 or 2019 reported adjusted gross income.
- Social Security recipients will be eligible

#### **Expanded Unemployment Compensation.**

- The legislation increases weekly unemployment compensation benefits by \$600 per week for all workers receiving benefits through July 31, ensuring that the average worker will receive close to their full pay for the next four months. The bill extends the maximum amount of time workers can receive unemployment benefits by an additional 13 weeks and expands the allowable list of criteria for claiming benefits to include many reasons related to the COVID-19 public health emergency. It also provides

funding to support work share programs and temporarily expands unemployment benefits to cover workers not traditionally eligible for them, like the self-employed, independent contractors, workers in the gig economy and workers with limited work histories. The federal government will cover the costs of expanded unemployment compensation benefits and will cover the costs of the claimants' first week of benefits if states eliminate any existing waiting periods for benefits.

## **Allows Early Distributions of Retirement Savings**

- The CARES Act waives the additional 10 percent tax on early distributions from IRAs and defined contribution plans (such as 401(k)s) in the case of coronavirus-related distributions. This is consistent with previous disaster-related relief. Income from this distributions would be subject to tax over three years. Distributions are limited to \$100,000, and may be re-contributed to the plan or IRA.

## **Help for Pennsylvania's Small Businesses**

- Up to \$10 million per business available to small businesses with fewer than 500 employees under the new Paycheck Protection Program. Loans are forgivable for payroll costs, mortgage interest payments, rent and utilities to keep struggling business afloat and workers employed. Loan payments would be deferred for six months.
- Up to \$10,000 in SBA Emergency Grants for small businesses through the Economic Injury Disaster Loan (EIDL) program.
- For employers, including non-profits, whose operations have been fully or partially suspended, the bill provides a refundable payroll tax credit for a percentage of wages and compensation paid to eligible employees during the COVID-19 crisis called the Worker Retention Tax Credit.
- \$2.3 million in funding from the Manufacturing Extension Program (MEP) to provide small and medium-sized manufacturers in Pennsylvania with resources to grow, reduce costs, improve efficiencies, develop their workforce, create new products, find new markets, etc.
- Temporary Suspension of Alcohol Taxes in the Emergency Production of Hand Sanitizer. Under present law, distilled spirits are generally subject to an 18% excise tax. This provision would exempt the tax on spirits removed during 2020 and used for the production of hand sanitizer in compliance with all FDA guidance.

## **Help for Pennsylvania's Health System**

- \$100 billion in grants available nationally for local hospitals, public entities, not-for-profit entities, and Medicare and Medicaid enrolled suppliers and institutional providers to cover unreimbursed health care related expenses or lost revenues attributable to the public health emergency resulting from the coronavirus.
- \$18.782 million in funding for Pennsylvania's health system from the Centers for Disease Control and Prevention (CDC) Public Health Emergency Preparedness fund to support coronavirus preparation and response. This can be used to fund personal protective equipment, laboratory testing to detect positive cases, infection control and mitigation at the local level to prevent the spread of the virus, and other public health

preparedness and response activities. The commonwealth is still eligible to apply for additional funding from a separate \$750 million fund.

- Federally Qualified Health Centers (FQHC) are eligible to apply for money from a CARES Act fund totaling \$1.32 billion.

## **Support for Pennsylvania and Local Communities**

- Pennsylvania will get \$4.964 billion split 55/45 between state and local governments
- \$1.131 billion – Funding for transportation to help the commonwealth's transit systems
- \$112.783 million – Community Development Block Grants (CDBG) to help communities fund infrastructure, economic development projects, public facilities installation, community centers, housing rehabilitation, public services, clearance/acquisition, microenterprise assistance, code enforcement, homeowner assistance, etc.
- \$17 million – Federal and state funding to help Pennsylvania prepare for the 2020 election cycle, including to increase the ability to vote by mail, expand early voting and online registration, and increase the safety of voting in-person by providing additional voting facilities and more poll workers.
- \$28 million – Byrne-JAG grant funding for Pennsylvania to help state and local law enforcement and jails meet local needs, including the purchase of personal protective equipment (PPE) and other needed medical items.
- \$18.782 million – helps keep families safe and healthy through initiatives that assist families with energy costs.

## **Support for Affordable Housing**

- \$112.314 million – For the Commonwealth to assist people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.
- \$15.3 million – Low-Income Home Energy Assistance Program (LIHEAP) funding to help Pennsylvania's low-income families and seniors offset home heating, cooling, and other energy costs.
- \$1.672 million – Funding for the Housing Opportunities for Persons With AIDS program in Pennsylvania.
- Up to one-year forbearance on all federally-backed mortgages.
- 60-day foreclosure and eviction moratorium on all federally-backed mortgages.
- 90-day forbearance on federally-backed loans for owners of multifamily rental properties, during which period they may not evict or charge late fees or other penalties to tenants for nonpayment of rent.
- 120-day eviction protection for tenants. Owners of federally-subsidized properties or properties with a federally-backed mortgage loan may not evict or charge penalties or fees to a tenant who cannot pay rent for 120 days following this act.

## **Help for Pennsylvania Students and Educators**

- Pennsylvania will receive about \$104,743,000 in funding to provide emergency support grants to local educational agencies and public institutions of higher education that the Governor deems have the most need related to Covid-19.



- The new ***Education Stabilization Fund will provide elementary and secondary schools in Pennsylvania*** \$523,807,000. These funds will be allocated on the same basis as the Title I-A formula under the Elementary and Secondary Education Act (ESEA), and can be used for a variety of purposes including purchasing broadband connectivity and educational technology for students.
- Pennsylvania institutions of higher education will receive about \$461,368,000 through the Higher Education Emergency Relief Fund to directly support students facing urgent needs related to coronavirus and to support colleges and universities as they cope with the immediate effects of coronavirus and school closures.
- Student borrowers with federally-held Direct Loans and FFEL loans can have their payments suspended through September 30, 2020, meaning such borrowers will not be required to make any payments toward outstanding interest or principal. During this time interest will not accrue, and there is a prohibition on forced collections such as garnishment of wages, tax refunds, and Social Security benefits, as well as negative credit reporting. Student borrowers continue to receive credit toward Public Service Loan Forgiveness, Income-Driven Repayment forgiveness, and loan rehabilitation during this time.

## Child Care for Pennsylvania Families and Frontline Workers

- Pennsylvania will receive about \$105,613,289 through the Child Care and Development Block Grant (CCDBG). These funds can be used to continue providing payments to providers that are closed, help providers remain safely operational, and to provide child care assistance to health care sector employees, emergency responders, sanitation workers, and other workers that are deemed essential during the COVID-19 response by public officials.

## Support for Agriculture

- A dedicated disaster fund to support Pennsylvania farmers who are experiencing financial losses, including targeted support for specialty crop growers, dairy farmers, and local food producers
- Increased funding available to support producers through the Commodity Credit Corporation
- Eligibility for farmers and agricultural and rural businesses to receive small business loans from eligible lenders

[Click Here](#) for more about what Senator Casey has done for Pennsylvania to address COVID-19.

